



SMALL BUSINESS ADMINISTRATION

Class Waiver of the Nonmanufacturer Rule

AGENCY: U.S. Small Business Administration.

ACTION: Notice of intent to waive the Nonmanufacturer Rule for leather holsters (M18 System) and accessories under NAICS code 316998/PSC 8465.

SUMMARY: The U.S. Small Business Administration (SBA) is considering granting a request for a class waiver of the Nonmanufacturer Rule (NMR) for leather holsters (M18 System) and accessories. According to the request, no small business manufacturers can manufacture and supply a specific proprietary holster system to the Federal government. If granted, the class waiver would allow otherwise qualified regular dealers to supply the waived item(s), regardless of the business size of the manufacturer, on a Federal contract set aside for small business, service-disabled veteran-owned small business (SDVOSB), women-owned small business (WOSB), economically disadvantaged women-owned small business (EDWOSB), historically underutilized business zones (HUBZone), or participants in the SBA's 8(a) Business Development (BD) program.

DATES: Comments and source information must be submitted by [INSERT DATE 30 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: You may submit comments and source information via the Federal Rulemaking Portal at <https://www.regulations.gov>. If you wish to submit confidential business information (CBI) as defined in the User Notice at <https://www.regulations.gov>, please submit the information to Carol Hulme, Program Analyst, Office of Government Contracting, U.S. Small Business Administration, 409 Third Street SW, 8th Floor, Washington, DC 20416. Highlight the information that you consider to be CBI and

explain why you believe this information should be held confidential. SBA will review the information and make a final determination as to whether the information will be published.

FOR FURTHER INFORMATION CONTACT: Carol Hulme, Program Analyst, by telephone at 202-205-6347; or by email at Carol-Ann.Hulme@sba.gov.

SUPPLEMENTARY INFORMATION: Sections 8(a)(17) and 46 of the Small Business Act (Act), 15 U.S.C. 637(a)(17) and 657s, and SBA's implementing regulations, found at 13 CFR §121.406(b). require that recipients of Federal supply contracts (except those valued between \$3,500 and \$250,000) set aside for small business, service-disabled veteran-owned small business SDVOSB, WOSB, EDWOSB, HUBZone, or (BD) program participants provide the product of a small business manufacturer or processor if the recipient of the set-aside is not the actual manufacturer or processor of the product. This requirement is commonly referred to as the Nonmanufacturer Rule (NMR). 13 CFR §121.406(b). Sections 8(a)(17)(B)(iv)(II) and 46(a)(4)(B) of the Act authorize SBA to waive the NMR for a "class of products" for which there are no small business manufacturers or processors available to participate in the Federal market.

As implemented in SBA's regulations at 13 CFR §121.1202(c), in order to be considered available to participate in the Federal market for a class of products, a small business manufacturer must have submitted a proposal for a contract solicitation or been awarded a contract to supply the class of products within the last 24 months.

The SBA defines “class of products” based on a combination of 1) the six digit North American Industry Classification System (NAICS) code, 2) the four digit Product Service Code (PSC), and 3) a description of the class of products.

The United States Air Force (USAF) has requested that SBA provide a class waiver for a specific holster system. Specifically, the USAF has requested a class waiver for a unique and propriety holster system that will be required following the receipt of M18 handguns. The details outlining why this particular holster will be required can be found in USAF’s Small Arms and Weapons Accessories Approval List. The specific holster that is required per the USAF is the Safariland 7390 Modular Holster System with Automatic Locking System (ALS) and ALS Guard. This holster is the required duty holster and accessory authorized for use by Security Forces personnel. According to the USAF this specific holster system provides two levels of retention to reduce the chance of the weapon from being grabbed or falling from the holster during combat. The USAF has informed SBA that it is imperative for the safety and for risk mitigation to ensure all Security Force members are using a single standard holster for the M18, and that a standard holster with a standard retention system maximizes the ability of Security Force members to achieve their objectives.

The USAF’s market research has found that the holster system that meets its needs is the Safariland 7390 Modular Holster System with Automatic Locking System (ALS) and ALS Guard, and that the system is patented by Safariland. As such, the USAF has found that there are no small business concerns that can provide this holster system to the Federal Government, and has requested a class waiver.

SBA invites the public to comment on this pending request to waive the NMR for leather holsters (M18 System) and accessories under NAICS code 316998/PSC 8465.

The public may comment or provide source information on any small business manufacturers of this class of products that are available to participate in the Federal market. The public comment period will run for 30 days after the date of publication in the Federal Register.

More information on the NMR and class waivers can be found at <https://www.sba.gov/contracting/contracting-officials/non-manufacturer-rule/non-manufacturer-waivers>.

David Loines,
Director, Office of Government Contracting.

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